



General Assembly

**Substitute Bill No. 1043**

January Session, 2013



**AN ACT ESTABLISHING THE CONNECTICUT STATE-WIDE PORT AUTHORITY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2013*) (a) There is hereby  
2 established and created a body politic and corporate, constituting a  
3 public instrumentality and political subdivision of the state of  
4 Connecticut established and created for the performance of an  
5 essential public and governmental function, to be known as the  
6 Connecticut State-Wide Port Authority. The authority shall not be  
7 construed to be a department, institution or agency of the state.

8 (b) The powers of the authority shall be vested in and exercised by a  
9 board of directors, which shall consist of fifteen members, appointed  
10 as follows: (1) (A) The State Treasurer or the Treasurer's designee, (B)  
11 the Commissioner of Transportation or the commissioner's designee,  
12 (C) the Commissioner of Economic and Community Development or  
13 the commissioner's designee, and (D) the Commissioner of Energy and  
14 Environmental Protection or the commissioner's designee, each  
15 serving ex officio; (2) one appointed by the speaker of the House of  
16 Representatives for a term of four years; (3) one appointed by the  
17 minority leader of the House of Representatives for a term of four  
18 years; (4) one appointed by the president pro tempore of the Senate for  
19 a term of four years; (5) one appointed by the minority leader of the

20 Senate for a term of four years; (6) one appointed by the chief executive  
21 officer of the city of New Haven; (7) one appointed by the chief  
22 executive officer of the city of Bridgeport; and (8) one appointed by the  
23 chief executive officer of the city of New London. Thereafter, such  
24 members of the General Assembly and such chief executive officers  
25 shall appoint members of the board to succeed such appointees whose  
26 terms expire and each member so appointed shall hold office for a  
27 period of four years from the first day of July in the year of his or her  
28 appointment. The Governor shall appoint four members to the board  
29 as follows: (A) Two members for two years; and (B) two members for  
30 four years. Thereafter, the Governor shall appoint members of the  
31 board to succeed such appointees whose terms expire and each  
32 member so appointed shall hold office for a period of four years from  
33 July first in the year of his or her appointment. Appointed directors  
34 shall have business and management experience and shall include  
35 individuals who have experience and expertise in one or more of the  
36 following areas: (i) Financial planning, (ii) budgeting and assessment,  
37 (iii) marketing, (iv) master planning, (v) maritime trade, and (vi)  
38 transportation management.

39 (c) Appointed directors may not designate a representative to  
40 perform in their absence their respective duties under this section. Any  
41 appointed director who fails to attend three consecutive meetings of  
42 the board or who fails to attend fifty per cent of all meetings of the  
43 board held during any calendar year shall be deemed to have resigned  
44 from the board. Any vacancy occurring other than by expiration of  
45 term shall be filled in the same manner as the original appointment for  
46 the balance of the unexpired term.

47 (d) The board of directors of the authority shall appoint an executive  
48 director who shall not be a member of the board and who shall serve at  
49 the pleasure of the board and receive such compensation as shall be  
50 fixed by the board. The executive director shall have extensive  
51 experience in the development and management of multi-use port  
52 operations. The executive director shall be the chief administrative

53 officer of the authority and shall direct and supervise administrative  
54 affairs and technical activities in accordance with the directives of the  
55 board. The executive director shall approve all accounts for salaries,  
56 allowable expenses of the authority or of any employee or consultant  
57 thereof, and expenses incidental to the operation of the authority. The  
58 executive director shall perform such other duties as may be directed  
59 by the board in carrying out the purposes of this act. The executive  
60 director shall be exempt from the classified service. The executive  
61 director shall attend all meetings of the board, keep a record of the  
62 proceedings of the authority and shall maintain and be custodian of all  
63 books, documents and papers filed with the authority and of the  
64 minute book or journal of the authority and of its official seal. The  
65 executive director may cause copies to be made of all minutes and  
66 other records and documents of the authority and may give certificates  
67 under the official seal of the authority to the effect that such copies are  
68 true copies, and all persons dealing with the authority may rely upon  
69 such certificates.

70 (e) Each director shall be entitled to reimbursement for such  
71 director's actual and necessary expenses incurred during the  
72 performance of such director's official duties.

73 (f) Directors may engage in private employment, or in a profession  
74 or business, subject to any applicable laws, rules and regulations of the  
75 state or federal government regarding official ethics or conflict of  
76 interest.

77 (g) Eight directors of the authority shall constitute a quorum for the  
78 transaction of any business or the exercise of any power of the  
79 authority. For the transaction of any business or the exercise of any  
80 power of the authority, and, except as otherwise provided in this  
81 section, the authority may act by a majority of the directors present at  
82 any meeting at which a quorum is in attendance.

83 (h) The board may delegate to eight or more directors such board  
84 powers and duties as it may deem necessary and proper in conformity

85 with the provisions of this section and its bylaws.

86 (i) The appointing authority for any director may remove such  
87 director for inefficiency, neglect of duty or misconduct in office after  
88 giving the director a copy of the charges against the director and an  
89 opportunity to be heard, in person or by counsel, in the director's  
90 defense, upon not less than ten days' notice. If any director shall be so  
91 removed, the appointing authority for such director shall file in the  
92 office of the Secretary of the State a complete statement of charges  
93 made against such director and the appointing authority's findings on  
94 such statement of charges, together with a complete record of the  
95 proceedings.

96 (j) The authority shall continue as long as it has bonds or other  
97 obligations outstanding and until its existence is terminated by law.  
98 Upon the termination of the existence of the authority, all its rights and  
99 properties shall pass to and be vested in the state of Connecticut.

100 (k) Notwithstanding any provision of the general statutes, it shall  
101 not constitute a conflict of interest for a trustee, director, partner or  
102 officer of any person, firm or corporation, or any individual having a  
103 financial interest in a person, firm or corporation, to serve as a director  
104 of the authority, provided such trustee, director, partner, officer or  
105 individual shall abstain from deliberation, action or vote by the  
106 authority in specific respect to such person, firm or corporation.

107 (l) The Governor shall appoint the chairperson of the board, who  
108 shall serve for a term of four years. The board shall elect from its  
109 members a vice chairperson and such other officers as it deems  
110 necessary. Vacancies among any officers shall be filled within thirty  
111 days following the occurrence of such vacancy in the same manner as  
112 the original selection. Said board shall establish bylaws to govern its  
113 procedures and shall appoint such committees and advisory boards as  
114 may be convenient or necessary in the transaction of its business.

115 (m) The initial members of the board may begin service

116 immediately upon appointment, but shall not serve past the sixth  
117 Wednesday of the next regular session of the General Assembly unless  
118 qualified in the manner provided in section 4-7 of the general statutes.  
119 Thereafter, all appointments shall be made with the advice and  
120 consent of both houses of the General Assembly, in the manner  
121 provided in section 4-19 of the general statutes.

122       Sec. 2. (*Effective July 1, 2013*) (a) The Connecticut State-Wide Port  
123 Authority shall have the duty, power and authority generally to  
124 coordinate port development, with a focus on private and public  
125 investments, pursue federal and state funds for dredging and other  
126 infrastructure improvements to increase cargo movement through  
127 Connecticut ports, market the advantages of such ports to the domestic  
128 and international shipping industry, coordinate the planning and  
129 funding of capital projects promoting the development of such ports  
130 and develop strategic entrepreneurial initiatives that may be available  
131 to the state, and specifically to:

132       (1) Develop an organizational and management structure that will  
133 best accomplish the goals of the authority concerning Connecticut  
134 ports;

135       (2) Create a code of conduct for the board of directors of the  
136 authority consistent with part I of chapter 10 of the general statutes;

137       (3) On or before December fifteenth each year, report, in accordance  
138 with the provisions of section 11-4a of the general statutes, to the  
139 Governor and the joint standing committees of the General Assembly  
140 having cognizance of matters relating to transportation, commerce and  
141 the environment, summarizing the authority's activities, disclosing  
142 operating and financial statements and recommending legislation to  
143 promote the authority's purposes;

144       (4) Adopt rules for the conduct of its business which shall not be  
145 considered regulations, as defined in subdivision (13) of section 4-166  
146 of the general statutes;

147       (5) Receive and accept aid or contributions from any source of  
148 money, property, labor or other things of value, to be held, used and  
149 applied to carry out the purposes of sections 1 to 9, inclusive, of this  
150 act, subject to such conditions upon which such grants and  
151 contributions may be made, including, but not limited to, gifts or  
152 grants from any department, agency or instrumentality of the United  
153 States or this state for any purpose consistent with sections 1 to 9,  
154 inclusive, of this act;

155       (6) Enter into agreements with any department, agency, office or  
156 instrumentality of the United States or this state, including the office of  
157 the State Treasurer, to carry out the purposes of sections 1 to 9,  
158 inclusive, of this act;

159       (7) The extent permitted under sections 1 to 9, inclusive, of this act,  
160 borrow money or secure credit on a temporary, short-term, interim or  
161 long-term basis;

162       (8) Issue bonds, bond anticipation notes and other obligations of the  
163 authority to the extent permitted under sections 1 to 9, inclusive, of  
164 this act, to fund and refund the same and provide for the rights of the  
165 holders thereof, and to secure the same by pledge of revenues, notes  
166 and mortgages of others;

167       (9) Acquire, lease, hold and dispose of real and personal property  
168 for its corporate purposes;

169       (10) Employ such assistants, agents and other employees, including  
170 a marketing manager with experience (A) in port market development  
171 and promotion, and (B) working with vessel operators, railroads, the  
172 shipping industry and the trucking industry, and to engage  
173 consultants and such other independent professionals as may be  
174 necessary or desirable to carry out its purposes in accordance with  
175 sections 1 to 9, inclusive, of this act and, except for such employees  
176 who are covered by collective bargaining agreements, to fix their  
177 compensation, and to provide technical assistance as provided in

178 sections 1 to 9, inclusive, of this act;

179 (11) To maintain an office at such place or places as it may  
180 designate;

181 (12) To sue and be sued in its own name, and plead and be  
182 impleaded;

183 (13) To mortgage any property of the authority for the benefit of the  
184 holders of obligations issued by the authority;

185 (14) In connection with, or incidental to, the issuance or carrying of  
186 bonds, notes or other obligations of the authority, or acquisition or  
187 carrying of any investment or program of investment, to enter into any  
188 contract which the authority determines to be necessary or appropriate  
189 to place the obligation or investment of the authority, as represented  
190 by the bonds, notes or other obligations, investment or program of  
191 investment and the contract or contracts, in whole or in part, on the  
192 interest rate, currency, cash flow or other basis desired by the  
193 authority, including, without limitations, contracts commonly known  
194 as interest rate swap agreements, currency swap agreements, forward  
195 payment conversion agreements, futures or contracts providing for  
196 payments based on levels of, or changes in, interest rates, currency  
197 exchange rates, stock or other indices, or contracts to exchange cash  
198 flows or a series of payments, or contracts, including, without  
199 limitation, interest rate floors or caps, options, puts or calls to hedge  
200 payment, currency, rate, spread or similar exposure or, contracts for  
201 the purchase of option rights with respect to the mandatory tender for  
202 purchase of bonds, notes or other obligations of the authority, which  
203 are subject to mandatory tender or redemption, including the issuance  
204 of certificates evidencing the right of the owner to exercise such option;

205 (15) In connection with, or incidental to, the issuance or carrying of  
206 bonds, notes or other obligations or entering into any of the contracts  
207 or agreements referred to in subdivision (14) of this subsection, the  
208 authority may enter into credit enhancement or liquidity agreements,

209 with payment, interest rate, currency, security, default, remedy and  
210 other terms and conditions as the authority determines;

211 (16) Make and enter into all contracts and agreements necessary or  
212 incidental to the performance of its duties and the execution of its  
213 powers under sections 1 to 9, inclusive, of this act, including, but not  
214 limited to, the granting of leasehold interests, concession, access and  
215 development rights and privileges, supplier, vendor, contractor and  
216 consultant contracts; and

217 (17) Do all acts and things necessary or convenient to carry out the  
218 purposes of sections 1 to 9, inclusive, of this act and chapter 242 of the  
219 general statutes and the powers expressly granted by sections 1 to 9,  
220 inclusive, of this act.

221 (b) To serve its purpose, the authority may:

222 (1) Have perpetual succession as a body politic and corporate and to  
223 adopt bylaws for the regulation of its affairs and the conduct of its  
224 business;

225 (2) Adopt an official seal and alter the same at pleasure;

226 (3) (A) Employ such assistants, agents and other employees as may  
227 be necessary or desirable; (B) establish all necessary or appropriate  
228 personnel practices and policies; and (C) engage consultants, attorneys  
229 and appraisers as may be necessary or desirable to carry out its  
230 purposes in accordance with this section;

231 (4) Invest in, acquire, lease, purchase, own, manage, hold and  
232 dispose of real property and lease, convey or deal in or enter into  
233 agreements with respect to such property on any terms necessary or  
234 incidental to carrying out the purposes of sections 1 to 9, inclusive, of  
235 this act, provided such transactions shall not be subject to approval,  
236 review or regulation by any state agency pursuant to title 4b of the  
237 general statutes or any other provision of the general statutes.  
238 Notwithstanding this subdivision, the authority shall not convey fee



239 simple ownership in any land under its jurisdiction and control  
240 without the approval of the Properties Review Board and the Attorney  
241 General;

242 (5) Procure insurance against any liability or loss in connection with  
243 its property and other assets, in such amounts and from such insurers  
244 as it deems desirable and to procure insurance for employees; and

245 (6) Account for and audit funds of the authority and funds of any  
246 recipients of funds from the authority.

247 Sec. 3. (NEW) (*Effective July 1, 2013*) The board of directors of the  
248 Connecticut State-Wide Port Authority shall adopt written procedures,  
249 in accordance with the provisions of section 1-121 of the general  
250 statutes, for: (1) Adopting an annual budget and plan of operations,  
251 including a requirement of board approval before the budget or plan  
252 may take effect; (2) hiring, dismissing, promoting and compensating  
253 employees of the authority, including an affirmative action policy and  
254 a requirement of board approval before a position may be created or a  
255 vacancy filled; (3) acquiring real and personal property and personal  
256 services, including a requirement of board approval for any  
257 nonbudgeted expenditure in excess of five thousand dollars; (4)  
258 contracting for financial, legal, bond underwriting and other  
259 professional services, including a requirement that the authority solicit  
260 proposals at least once every three years for each such service which it  
261 uses; (5) issuing and retiring bonds, bond anticipation notes and other  
262 obligations of the authority; (6) awarding loans, grants and other  
263 financial assistance, including eligibility criteria, the application  
264 process and the role played by the authority's staff and board of  
265 directors; and (7) the use of surplus funds to the extent authorized  
266 under sections 1 to 9, inclusive, of this act or other provision of the  
267 general statutes.

268 Sec. 4. (NEW) (*Effective July 1, 2013*) The board of directors of the  
269 Connecticut State-Wide Port Authority shall submit to the joint  
270 standing committees of the General Assembly having cognizance of

271 matters relating to appropriations, commerce, the environment and  
272 transportation a copy of each audit of the authority conducted by an  
273 independent auditing firm, not later than seven days after the audit is  
274 received by said board of directors.

275       Sec. 5. (NEW) (*Effective July 1, 2013*) (a) The Connecticut State-Wide  
276 Port Authority may authorize the issuance of bonds in one or more  
277 series and in principal amounts necessary to carry out the purposes of  
278 sections 1 to 9, inclusive, of this act. Such bonds shall be payable from  
279 all or a portion of the revenues of the authority, as may be specified in  
280 the proceedings authorizing such bonds, and may include, among  
281 other types of bonds, special purpose revenue bonds payable solely  
282 from revenues derived from special purpose facilities, bonds payable  
283 from particular sources of revenues and bonds payable in whole or in  
284 part from passenger or freight facility charges to the extent permitted  
285 under applicable federal law. The authority may request such  
286 assistance from the State Treasurer as may be necessary or desirable  
287 for the issuance by the authority of bonds to finance such projects and  
288 other improvements. The expense of such assistance shall be payable  
289 from the proceeds of such bonds and the State Treasurer may provide  
290 such assistance. The authority may appoint a finance or other  
291 committee of the board or one or more officers or employees to serve  
292 as the board's authorized delegate in connection with the issuance of  
293 bonds pursuant to this section.

294       (b) Bonds issued pursuant to this section shall be obligations of the  
295 authority and shall neither be payable from nor charged upon any  
296 funds other than the revenues of the authority pledged to the payment  
297 thereof, nor shall the state or any political subdivision thereof be  
298 subject to any liability thereon except to the extent of such pledged  
299 revenues. The issuance of bonds under the provisions of sections 1 to  
300 9, inclusive, of this act shall not directly or indirectly or contingently  
301 obligate the state or any political subdivision thereof to levy or to  
302 pledge any form of taxation whatever therefor or to make any  
303 appropriation for their payment. The bonds shall not constitute a

304 charge, lien or encumbrance, legal or equitable, upon any property of  
305 the state or of any political subdivision thereof, except the property of  
306 the authority or the state mortgaged or otherwise encumbered under  
307 the provisions and for the purposes of sections 1 to 9, inclusive, of this  
308 act. The substance of such limitation shall be plainly stated on the face  
309 of each bond. Bonds issued pursuant to sections 1 to 9, inclusive, of  
310 this act shall not be subject to any statutory limitation on the  
311 indebtedness of the state and such bonds, when issued, shall not be  
312 included in computing the aggregate indebtedness of the state in  
313 respect to and to the extent of any such limitation.

314 (c) The bonds referred to in this section may be executed and  
315 delivered at such time or times, shall be dated, shall bear interest at  
316 such rate or rates, including variable rates to be determined in such  
317 manner as set forth in the proceedings authorizing the issuance of the  
318 bonds, provide for payment of interest on such dates, whether before  
319 or at maturity, shall mature at such time or times not exceeding forty  
320 years from their date, have such rank or priority, be payable in such  
321 medium of payment, be issued in coupon, registered or book entry  
322 form, carry such registration and transfer privileges and be subject to  
323 purchase or redemption before maturity at such price or prices and  
324 under such terms and conditions, including the condition that such  
325 bonds be subject to purchase or redemption on the demand of the  
326 owner thereof, all as may be determined by the authority. The  
327 authority shall determine the form of the bonds, including any interest  
328 coupons to be attached thereto, the manner of execution of the bonds,  
329 the denomination or denominations of the bonds and the place or  
330 places of payment of principal and interest, which may be at any bank  
331 or trust company within or without the state. Prior to the preparation  
332 of definitive bonds, the authority may, under like restrictions, provide  
333 for the issuance of interim receipts or temporary bonds, with or  
334 without coupons, exchangeable for definitive bonds when such bonds  
335 have been executed and are available for delivery. If any of the officers  
336 whose signatures appear on the bonds or coupons cease to be officers  
337 before the delivery of any such bonds, such signatures shall,

338 nevertheless, be valid and sufficient for all purposes, the same as if  
339 they had remained in office until delivery.

340 (d) Any bonds issued under the authority of sections 1 to 9,  
341 inclusive, of this act, may be sold at public sale on sealed proposals or  
342 by negotiation in such manner, at such price and at such time or times  
343 as may be determined by the authority. The authority may pay from  
344 the proceeds of the bonds all costs and expenses which the authority  
345 may deem necessary or advantageous in connection with the  
346 authorization, sale and issuance thereof, including the cost of interest  
347 on any short-term financing authorized under subsection (b) of section  
348 6 of this act.

349 (e) The principal of and interest on any bonds issued pursuant to  
350 this section shall be secured by a pledge of the revenues out of which  
351 such bonds shall be made payable. They may be secured by a  
352 mortgage covering all or any part of a project from which the revenues  
353 so pledged may be derived or by a pledge of one or more leases, sale  
354 contracts or loan agreements with respect to such project or by a  
355 pledge of one or more notes, debentures, bonds or other secured or  
356 unsecured debt obligations of any lessee or contracting party under a  
357 loan agreement or sale contract or by a pledge of reserve and sinking  
358 funds established pursuant to the resolution authorizing the issuance  
359 of the bonds and any other funds and accounts, including proceeds  
360 from investment of any of the foregoing, established pursuant to this  
361 chapter or the proceedings authorizing the issuance of such bonds, and  
362 by moneys paid under a credit facility, including, but not limited to, a  
363 letter of credit or policy of bond insurance, issued by a financial  
364 institution pursuant to an agreement authorized by such proceedings.

365 (f) The proceedings under which the bonds are authorized to be  
366 issued pursuant to this section, and any mortgage given to secure the  
367 same, may, subject to the provisions of the general statutes, contain  
368 any agreements and provisions customarily contained in instruments  
369 securing bonds, including, but not limited to: (1) Provisions respecting  
370 custody of the proceeds from the sale of the bonds, including their

371 investment and reinvestment until used for the cost of a project; (2)  
372 provisions respecting the fixing and collection of rents or payments  
373 with respect to the facilities of the authority and the application and  
374 use of passenger or freight facility charges; (3) the terms to be  
375 incorporated in the lease, sale contract or loan agreement with respect  
376 to a project; (4) the maintenance and insurance of a project; (5) the  
377 creation, maintenance, custody, investment and reinvestment, and use  
378 of the revenues derived from the operation of the authority's facilities;  
379 (6) establishment of reserves or sinking funds, and such accounts  
380 thereunder as may be established by the authority, and the regulation  
381 and disposition thereof; (7) the rights and remedies available in case of  
382 a default to the bondholders or to any trustee under any lease, sale  
383 contract, loan agreement, mortgage or trust indenture; (8)  
384 reimbursement agreements, remarketing agreements, standby bond  
385 purchase agreements or similar agreements in connection with  
386 obtaining any credit or liquidity facilities including, but not limited to,  
387 letters of credit or policies of bond insurance and such other  
388 agreements entered into pursuant to section 3-20a of the general  
389 statutes; (9) provisions for the issuance of additional bonds on a parity  
390 with bonds theretofore issued, including establishment of coverage  
391 requirements with respect thereto; (10) covenants to do or to refrain  
392 from doing such acts and things as may be necessary or convenient or  
393 desirable in order to better secure any bonds or to maintain any federal  
394 or state exemption from tax of the interest on such bonds; and (11)  
395 provisions or covenants of like or different character from the  
396 foregoing which are consistent with the provisions of sections 1 to 9,  
397 inclusive, of this act, and which the authority determines in such  
398 proceedings are necessary, convenient or desirable in order to better  
399 secure the bonds or bond anticipation notes, or will tend to make the  
400 bonds or bond anticipation notes more marketable, and which are in  
401 the best interests of the state. The proceedings under which the bonds  
402 are authorized, and any mortgage given to secure the same, may  
403 further provide that any cash balances not necessary (A) to pay the  
404 cost of maintaining, repairing and operating the facilities of the  
405 authority, (B) to pay the principal of and interest on the bonds as the

406 same shall become due and payable, and (C) to create and maintain  
407 reserve and sinking funds as provided in any authorizing resolution or  
408 other proceedings, shall be deposited into one or more specifically  
409 designated working funds to be held in trust by the authority and  
410 applied to future debt service requirements or other authority  
411 purposes.

412 (g) In the discretion of the authority, bonds issued pursuant to this  
413 section may be secured by a trust indenture by and between the  
414 authority and a corporate trustee, which may be any trust company or  
415 bank having the powers of a trust company within or without the  
416 state. Such trust indenture may contain such provisions for protecting  
417 and enforcing the rights and remedies of the bondholders as may be  
418 reasonable and proper and not in violation of law, including covenants  
419 setting forth the duties of the authority in relation to the exercise of its  
420 powers pursuant to sections 1 to 9, inclusive, of this act, and the  
421 custody, safeguarding and application of all moneys. The authority  
422 may provide by such trust indenture for the payment of the proceeds  
423 of the bonds and the revenues from the operation of the authority's  
424 facilities to the trustee under such trust indenture or other depository,  
425 and for the method of disbursement thereof, with such safeguards and  
426 restrictions as it may determine. All expenses incurred in carrying out  
427 such trust indenture may be treated as a part of the operating expenses  
428 of the applicable project. If the bonds shall be secured by a trust  
429 indenture, the bondholders shall have no authority to appoint a  
430 separate trustee to represent them.

431 (h) In connection with the issuance of bonds to finance a project or  
432 to refund bonds previously issued by the authority or the state to  
433 finance a project, the authority may create and establish one or more  
434 reserve funds to be known as special capital reserve funds and may  
435 pay into such special capital reserve funds (1) any moneys  
436 appropriated and made available by the state for the purposes of such  
437 funds, (2) any proceeds of sale of notes or bonds for a project, to the  
438 extent provided in the resolution of the authority authorizing the

439 issuance thereof, and (3) any other moneys which may be made  
440 available to the authority for the purpose of such funds from any other  
441 source or sources. The moneys held in or credited to any special capital  
442 reserve fund established under this section, except as hereinafter  
443 provided, shall be used solely for the payment of the principal of and  
444 interest on, when due, whether at maturity or by mandatory sinking  
445 fund installments, on bonds of the authority secured by such capital  
446 reserve fund as the same become due, the purchase of such bonds of  
447 the authority, the payment of any redemption premium required to be  
448 paid when such bonds are redeemed prior to maturity; provided the  
449 authority shall have power to provide that moneys in any such fund  
450 shall not be withdrawn therefrom at any time in such amount as  
451 would reduce the amount of such funds to less than the maximum  
452 amount of principal and interest becoming due by reasons of maturity  
453 or a required sinking fund installment in the then current or any  
454 succeeding calendar year on the bonds of the authority then  
455 outstanding or the maximum amount permitted to be deposited in  
456 such fund by the Internal Revenue Code of 1986, or any subsequent  
457 corresponding internal revenue code of the United States, as from time  
458 to time amended, to permit the interest on said bonds to be excluded  
459 from gross income for federal tax purposes and secured by such  
460 special capital reserve fund, such amount being herein referred to as  
461 the "required minimum capital reserve", except for the purpose of  
462 paying such principal of, redemption premium and interest on such  
463 bonds of the authority secured by such special capital reserve  
464 becoming due and for the payment of which other moneys of the  
465 authority are not available. The authority may provide that it shall not  
466 issue bonds secured by a special capital reserve fund at any time if the  
467 required minimum capital reserve on the bonds outstanding and the  
468 bonds then to be issued and secured by the same special capital  
469 reserve fund at the time of issuance, unless the authority, at the time of  
470 the issuance of such bonds, shall deposit in such special capital reserve  
471 fund from the proceeds of the bonds so to be issued, or otherwise, an  
472 amount which, together with the amount then in such special capital  
473 reserve fund, will be not less than the required minimum capital

474 reserve. On or before December first, annually, there is deemed to be  
475 appropriated from the state General Fund such sums, if any, as shall be  
476 certified by the chairman or vice chairman of the authority to the  
477 Secretary of the Office of Policy and Management and the State  
478 Treasurer, as necessary to restore each such special capital reserve  
479 fund to the amount equal to the required minimum capital reserve of  
480 such fund, and such amounts shall be allotted and paid to the  
481 authority. For the purpose of evaluation of any such special capital  
482 reserve fund, obligations acquired as an investment for any such fund  
483 shall be valued at market. Nothing contained in this section shall  
484 preclude the authority from establishing and creating other debt  
485 service reserve funds in connection with the issuance of bonds or notes  
486 of the authority which are not special capital reserve funds. Subject to  
487 any agreement or agreements with holders of outstanding notes and  
488 bonds of the authority, any amount or amounts allotted and paid to  
489 the authority pursuant to this section shall be repaid to the state from  
490 moneys of the authority at such time as such moneys are not required  
491 for any other of its corporate purposes and in any event shall be repaid  
492 to the state on the date one year after all bonds and notes of the  
493 authority theretofore issued on the date or dates such amount or  
494 amounts are allotted and paid to the authority or thereafter issued,  
495 together with interest on such bonds and notes, with interest on any  
496 unpaid installments of interest and all costs and expenses in  
497 connection with any action or proceeding by or on behalf of the  
498 holders thereof, are fully met and discharged. No bonds secured by a  
499 special capital reserve fund shall be issued to pay project costs unless  
500 the authority is of the opinion and determines that revenues pledged  
501 to secure such bonds shall be sufficient to (A) pay the principal of and  
502 interest on the bonds issued to finance the project, (B) establish,  
503 increase and maintain any reserves deemed by the authority to be  
504 advisable to secure the payment of the principal of and interest on  
505 such bonds, (C) pay the cost of maintaining the project in good repair  
506 and keeping it properly insured, and (D) pay such other costs of the  
507 project as may be required. No bonds secured by a special capital  
508 reserve fund shall be issued unless the issuance of such bonds is



509 approved by the State Treasurer.

510 (i) Any pledge made by the authority shall be valid and binding  
511 from the time when the pledge is made, and the revenues or property  
512 so pledged and thereafter received by the authority shall immediately  
513 be subject to the lien of such pledge without any physical delivery  
514 thereof or further act. The lien of any such pledge shall be valid and  
515 binding as against all parties having claims of any kind in tort,  
516 contract, or otherwise against the authority, irrespective of whether  
517 such parties have notice thereof. Neither the resolution nor any other  
518 instrument by which a pledge is created need be recorded.

519 (j) The authority shall have power out of any funds available  
520 therefor to purchase bonds or notes of the authority or the state issued  
521 pursuant to this section and section 6 of this act. The authority may  
522 hold, pledge, cancel or resell such bonds, subject to and in accordance  
523 with agreements with bondholders.

524 (k) Whether or not the notes and bonds are of such form and  
525 character as to be negotiable instruments under the terms of the  
526 Uniform Commercial Code, the notes and bonds are hereby made  
527 negotiable instruments within the meaning of and for all purposes of  
528 the Uniform Commercial Code, subject only to the provisions of the  
529 notes and bonds for registration.

530 (l) Any moneys held by the authority with respect to the state's  
531 ports, or by a trustee pursuant to a trust indenture, subject to the  
532 provisions of such indenture, including proceeds from the sale of any  
533 bonds and notes, and revenues, receipts and income from the  
534 operation of such ports, may be invested and reinvested in such  
535 obligations, securities and other investments, including, without  
536 limitation, participation certificates in the Short Term Investment Fund  
537 created in section 3-27a of the general statutes, or deposited or  
538 redeposited in such bank or banks, all as shall be authorized by the  
539 authority in the proceedings authorizing the issuance of the bonds and  
540 notes.

541 (m) For the purposes of sections 1 to 9, inclusive, of this act, the  
542 costs of the project payable out of the proceeds of bonds issued  
543 pursuant to this section shall include: (1) Expenses and obligations  
544 incurred for labor and materials in connection with the construction of  
545 the project; (2) the cost of acquiring by purchase, if such purchase shall  
546 be deemed expedient, and the amount of any award or final judgment  
547 in any proceedings to acquire by condemnation, such land, property  
548 rights, rights-of-way, franchises, easements and other interests in land  
549 as may be deemed necessary or convenient in connection with such  
550 construction or with the operation of the project, and the amount of  
551 any damages incident thereto; (3) the costs of all machinery and  
552 equipment acquired in connection with the project; (4) reserves for the  
553 payment of the principal of and interest on any notes and bonds issued  
554 pursuant to this section and section 6 of this act, and interest accruing  
555 on any such notes, during construction of the project and for six  
556 months after completion of such construction; (5) initial working  
557 capital, expenses of administration properly chargeable to the  
558 construction or acquisition of the project, legal, architectural and  
559 engineering expenses and fees, costs of audits, costs of preparing and  
560 issuing any notes and bonds pursuant to this section and section 6 of  
561 this act; and (6) all other items of expense not elsewhere specified  
562 incident to the planning, acquisition and construction of the project or  
563 of the placing of the same in operation.

564 (n) For purposes of sections 1 to 9, inclusive, of this act, the term  
565 "project" shall refer to the renovations and improvements to be  
566 acquired and constructed at the authority's facilities as may be  
567 specified from time to time by the board in a resolution as  
568 contemplated by subsection (a) of this section.

569 Sec. 6. (NEW) (*Effective July 1, 2013*) (a) Any bonds issued by the  
570 Connecticut State-Wide Port Authority under sections 1 to 9, inclusive,  
571 of this act, or the state under the provisions of section 5 of this act, and  
572 at any time outstanding may at any time be refunded by the authority  
573 by the issuance of its refunding bonds in such amounts as the

574 authority may deem necessary, but not exceeding an amount sufficient  
575 to refund the principal of the bonds to be so refunded, any unpaid  
576 interest thereon and any premiums, related termination payments and  
577 commissions necessary to be paid in connection therewith and to pay  
578 costs and expenses which the authority may deem necessary or  
579 advantageous in connection with the authorization, sale and issuance  
580 of refunding bonds. Any such refunding may be effected whether the  
581 bonds to be refunded shall have matured or shall thereafter mature.  
582 All refunding bonds issued hereunder shall be payable and shall be  
583 subject to and may be secured in accordance with the provisions of  
584 section 5 of this act.

585 (b) Whenever the authority has adopted a resolution authorizing  
586 bonds pursuant to section 5 of this act, the authority may, pending the  
587 issue of such bonds, issue temporary notes and any renewals thereof in  
588 anticipation of the proceeds from the sale of such bonds, which notes  
589 and any renewals thereof shall be designated "Bond Anticipation  
590 Notes". Such portion of the proceeds from the sale of such bonds as  
591 may be so required shall be applied to the payment of the principal of  
592 and interest on any such bond anticipation notes which have been  
593 issued. The principal of and interest on any bond anticipation notes  
594 issued pursuant to this subsection may be repaid from pledged  
595 revenues or other receipts, funds or moneys pledged to the repayment  
596 of the bonds in anticipation of which the bond anticipation notes are  
597 issued, to the extent not paid from the proceeds of renewals thereof or  
598 of the bonds.

599 Sec. 7. (NEW) (*Effective July 1, 2013*) (a) It is hereby determined that  
600 the purposes of sections 1 to 9, inclusive, of this act are public purposes  
601 and that the Connecticut State-Wide Port Authority will be performing  
602 an essential governmental function in the exercise of the powers  
603 conferred upon it hereunder. The state covenants with the purchasers  
604 and all subsequent holders and transferees of notes and bonds issued  
605 by the authority under sections 1 to 9, inclusive, of this act, in  
606 consideration of the acceptance of and payment for the notes and

607 bonds, that the principal and interest of such notes and bonds shall at  
608 all times be free from taxation, except for estate and gift taxes, imposed  
609 by the state or by any political subdivision thereof but the interest on  
610 such notes and bonds shall be included in the computation of any  
611 excise or franchise tax. The authority is authorized to include this  
612 covenant of the state in any agreement with the holder of such notes or  
613 bonds. Any notes or bonds issued by the authority pursuant to  
614 sections 1 to 9, inclusive, of this act may be issued on a basis that  
615 provides that the interest thereon is intended to be exempt or not to be  
616 exempt from federal income taxation, as may be determined by the  
617 authority.

618 (b) Bonds issued under the authority of sections 1 to 9, inclusive, of  
619 this act are hereby made securities in which all public officers and  
620 public bodies of the state and its political subdivisions, all insurance  
621 companies, credit unions, building and loan associations, investment  
622 companies, banking associations, trust companies, executors,  
623 administrators, trustees and other fiduciaries and pension, profit-  
624 sharing and retirement funds may properly and legally invest funds,  
625 including capital in their control or belonging to them. Such bonds are  
626 hereby made securities which may properly and legally be deposited  
627 with and received by any state or municipal officer or any agency or  
628 political subdivision of the state for any purpose for which the deposit  
629 of bonds or obligations of the state is now or may hereafter, be  
630 authorized by law.

631 Sec. 8. (NEW) (*Effective July 1, 2013*) (a) Notwithstanding any  
632 provision of the general statutes, and subject to any resolution  
633 authorizing the issuance of bonds pursuant to section 5 of this act, the  
634 Connecticut State-Wide Port Authority is authorized to fix, revise,  
635 charge and collect rates, rents, fees and charges for the use of and for  
636 the services furnished or to be furnished by the facilities of the  
637 authority and to contract with any person, partnership, association or  
638 corporation, or other body, public or private, in respect thereof. Such  
639 rates, rents, fees and charges shall be fixed and adjusted in respect of

640 the aggregate of rates, rents, fees and charges from the operation of the  
641 authority's facilities so as to provide funds sufficient with other  
642 revenues or moneys available therefor, if any, (1) to pay the cost of  
643 maintaining, improving, repairing and operating the facilities of the  
644 authority and each and every portion thereof, to the extent that the  
645 payment of such cost has not otherwise been adequately provided for,  
646 (2) to pay the principal of and the interest on any outstanding revenue  
647 obligations of the authority, including obligations of the state that may  
648 be assumed by the authority, issued in respect of the project as the  
649 same shall become due and payable, and (3) to create and maintain  
650 reserves and sinking funds required, permitted or provided for in any  
651 resolution authorizing, or trust agreement securing, such obligations.  
652 A sufficient amount of the revenues as may be necessary to pay the  
653 cost of maintenance, repair and operation and to provide reserves and  
654 for renewals, replacements, extensions, enlargements and  
655 improvements, as may be provided for in the resolution authorizing  
656 the issuance of any bonds or in the trust agreement securing the same,  
657 shall be set aside at such regular intervals as may be provided in such  
658 resolution or trust agreement in a reserve, sinking or similar fund. The  
659 use and disposition of moneys to the credit of such reserve, sinking or  
660 similar fund shall be subject to the provisions of the resolution  
661 authorizing the issuance of such bonds or of such trust agreement.

662 (b) The authority shall designate the beginning and ending dates of  
663 the fiscal year for the operation of the authority's facilities. Each year,  
664 within thirty days prior to the beginning of the next ensuing fiscal  
665 year, the authority shall approve an annual operating budget for the  
666 authority's facilities providing for (1) payment of the costs of  
667 maintaining, repairing and operating the authority's facilities and each  
668 and every portion thereof during such fiscal year, to the extent that the  
669 payment of such costs has not otherwise been adequately provided for,  
670 (2) the payment of the principal of and interest on any outstanding  
671 revenue obligations of the authority, including obligations of the state  
672 that may be assumed by the authority, becoming due and payable in  
673 such fiscal year, and (3) the creation and maintenance of reserves and

674 sinking funds, and compliance with rate covenants, required,  
675 permitted or provided for in any resolution authorizing, or trust  
676 agreement securing, such obligations. Such annual operating budget  
677 shall include an estimate of revenues from the rates, rents, fees and  
678 charges fixed by the authority pursuant to subsection (a) of this  
679 section, and from any and all other sources, to meet the estimated  
680 expenditures of the authority's facilities for such fiscal year. The  
681 annual operating budget of the authority's facilities as so approved  
682 shall take effect as of the date of its approval. On or before the  
683 twentieth day of each month, including the month next preceding the  
684 first month of the fiscal year to which the annual operating budget  
685 applies, the authority or the trustee under any trust indenture securing  
686 the bonds issued under section 5 of this act, at the direction of the  
687 authority, shall transfer to operating advance accounts established by  
688 the authority from the funds available for such purpose such amount  
689 as may be necessary to make the amount then held within such  
690 accounts for the payment of operating expenses of the authority's  
691 facilities equal to such amount as shall be necessary for the payment of  
692 such operating expenses during the next ensuing two months, as  
693 shown by the annual operating budget for such fiscal year. Except as  
694 otherwise provided in sections 1 to 9, inclusive, of this act, either  
695 expressly or by implication, all provisions of the general statutes  
696 governing state employees and state property, and all other provisions  
697 of the general statutes applicable to the authority's facilities, shall  
698 continue in effect. All pension, retirement or other similar benefits  
699 vested or acquired at any time before or after July 1, 1981, with respect  
700 to any state employees shall continue unaffected and as if the salaries  
701 and wages of such employees continued to be paid out of the general  
702 funds of the state.

703       Sec. 9. (NEW) (*Effective July 1, 2013*) The state of Connecticut does  
704 hereby pledge to and agree with the holders of any bonds and notes  
705 issued under sections 1 to 9, inclusive, of this act, and with those  
706 parties who may enter into contracts with the Connecticut State-Wide  
707 Port Authority pursuant to the provisions of sections 1 to 9, inclusive,

708 of this act that the state will not limit or alter the rights hereby vested  
709 in the authority until such obligations, together with the interest  
710 thereon, are fully met and discharged and such contracts are fully  
711 performed on the part of the authority, provided nothing contained  
712 herein shall preclude such limitation or alteration if and when  
713 adequate provision shall be made by law for the protection of the  
714 holders of such bonds and notes of the authority or those entering into  
715 such contracts with the authority. The authority is authorized to  
716 include this pledge and undertaking for the state in such bonds and  
717 notes or contracts.

718 Sec. 10. Subsection (l) of section 1-79 of the general statutes is  
719 repealed and the following is substituted in lieu thereof (*Effective July*  
720 *1, 2013*):

721 (l) "Quasi-public agency" means Connecticut Innovations,  
722 Incorporated, and the Connecticut Health and Education Facilities  
723 Authority, Connecticut Higher Education Supplemental Loan  
724 Authority, Connecticut Housing Finance Authority, Connecticut  
725 Housing Authority, Connecticut Resources Recovery Authority, Lower  
726 Fairfield County Convention Center Authority, Capital Region  
727 Development Authority, Connecticut Lottery Corporation, Connecticut  
728 Airport Authority, Health Information Technology Exchange of  
729 Connecticut, Connecticut Health Insurance Exchange, [and] Clean  
730 Energy Finance and Investment Authority and Connecticut State-Wide  
731 Port Authority.

732 Sec. 11. Subdivision (1) of section 1-120 of the general statutes is  
733 repealed and the following is substituted in lieu thereof (*Effective July*  
734 *1, 2013*):

735 (1) "Quasi-public agency" means Connecticut Innovations,  
736 Incorporated, and the Connecticut Health and Educational Facilities  
737 Authority, Connecticut Higher Education Supplemental Loan  
738 Authority, Connecticut Housing Finance Authority, Connecticut  
739 Housing Authority, Connecticut Resources Recovery Authority,

740 Capital Region Development Authority, Connecticut Lottery  
741 Corporation, Connecticut Airport Authority, Health Information  
742 Technology Exchange of Connecticut, Connecticut Health Insurance  
743 Exchange, [and] Clean Energy Finance and Investment Authority and  
744 Connecticut State-Wide Port Authority.

745 Sec. 12. Section 1-124 of the general statutes is repealed and the  
746 following is substituted in lieu thereof (*Effective July 1, 2013*):

747 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
748 and Educational Facilities Authority, the Connecticut Higher  
749 Education Supplemental Loan Authority, the Connecticut Housing  
750 Finance Authority, the Connecticut Housing Authority, the  
751 Connecticut Resources Recovery Authority, the Health Information  
752 Technology Exchange of Connecticut, the Connecticut Airport  
753 Authority, the Capital Region Development Authority, the  
754 Connecticut Health Insurance Exchange, [and] the Clean Energy  
755 Finance and Investment Authority and the Connecticut State-Wide  
756 Port Authority shall not borrow any money or issue any bonds or  
757 notes which are guaranteed by the state of Connecticut or for which  
758 there is a capital reserve fund of any kind which is in any way  
759 contributed to or guaranteed by the state of Connecticut until and  
760 unless such borrowing or issuance is approved by the State Treasurer  
761 or the Deputy State Treasurer appointed pursuant to section 3-12. The  
762 approval of the State Treasurer or said deputy shall be based on  
763 documentation provided by the authority that it has sufficient  
764 revenues to (1) pay the principal of and interest on the bonds and notes  
765 issued, (2) establish, increase and maintain any reserves deemed by the  
766 authority to be advisable to secure the payment of the principal of and  
767 interest on such bonds and notes, (3) pay the cost of maintaining,  
768 servicing and properly insuring the purpose for which the proceeds of  
769 the bonds and notes have been issued, if applicable, and (4) pay such  
770 other costs as may be required.

771 (b) To the extent Connecticut Innovations, Incorporated, and the  
772 Connecticut Higher Education Supplemental Loan Authority,



773 Connecticut Housing Finance Authority, Connecticut Housing  
 774 Authority, Connecticut Resources Recovery Authority, Connecticut  
 775 Health and Educational Facilities Authority, the Health Information  
 776 Technology Exchange of Connecticut, the Connecticut Airport  
 777 Authority, the Capital Region Development Authority, the  
 778 Connecticut Health Insurance Exchange, [or] the Clean Energy Finance  
 779 and Investment Authority or Connecticut State-Wide Port Authority is  
 780 permitted by statute and determines to exercise any power to  
 781 moderate interest rate fluctuations or enter into any investment or  
 782 program of investment or contract respecting interest rates, currency,  
 783 cash flow or other similar agreement, including, but not limited to,  
 784 interest rate or currency swap agreements, the effect of which is to  
 785 subject a capital reserve fund which is in any way contributed to or  
 786 guaranteed by the state of Connecticut, to potential liability, such  
 787 determination shall not be effective until and unless the State  
 788 Treasurer or his or her deputy appointed pursuant to section 3-12 has  
 789 approved such agreement or agreements. The approval of the State  
 790 Treasurer or his or her deputy shall be based on documentation  
 791 provided by the authority that it has sufficient revenues to meet the  
 792 financial obligations associated with the agreement or agreements.

793 Sec. 13. Section 1-125 of the general statutes is repealed and the  
 794 following is substituted in lieu thereof (*Effective July 1, 2013*):

795 The directors, officers and employees of Connecticut Innovations,  
 796 Incorporated, and the Connecticut Higher Education Supplemental  
 797 Loan Authority, Connecticut Housing Finance Authority, Connecticut  
 798 Housing Authority, Connecticut Resources Recovery Authority,  
 799 including ad hoc members of the Connecticut Resources Recovery  
 800 Authority, Connecticut Health and Educational Facilities Authority,  
 801 Capital Region Development Authority, the Health Information  
 802 Technology Exchange of Connecticut, Connecticut Airport Authority,  
 803 Connecticut Lottery Corporation, Connecticut Health Insurance  
 804 Exchange, [and] the Clean Energy Finance and Investment Authority  
 805 and Connecticut State-Wide Port Authority and any person executing

806 the bonds or notes of the agency shall not be liable personally on such  
807 bonds or notes or be subject to any personal liability or accountability  
808 by reason of the issuance thereof, nor shall any director or employee of  
809 the agency, including ad hoc members of the Connecticut Resources  
810 Recovery Authority, be personally liable for damage or injury, not  
811 wanton, reckless, wilful or malicious, caused in the performance of his  
812 or her duties and within the scope of his or her employment or  
813 appointment as such director, officer or employee, including ad hoc  
814 members of the Connecticut Resources Recovery Authority. The  
815 agency shall protect, save harmless and indemnify its directors,  
816 officers or employees, including ad hoc members of the Connecticut  
817 Resources Recovery Authority, from financial loss and expense,  
818 including legal fees and costs, if any, arising out of any claim, demand,  
819 suit or judgment by reason of alleged negligence or alleged  
820 deprivation of any person's civil rights or any other act or omission  
821 resulting in damage or injury, if the director, officer or employee,  
822 including ad hoc members of the Connecticut Resources Recovery  
823 Authority, is found to have been acting in the discharge of his or her  
824 duties or within the scope of his or her employment and such act or  
825 omission is found not to have been wanton, reckless, wilful or  
826 malicious.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2013</i>	New section
Sec. 2	<i>July 1, 2013</i>	New section
Sec. 3	<i>July 1, 2013</i>	New section
Sec. 4	<i>July 1, 2013</i>	New section
Sec. 5	<i>July 1, 2013</i>	New section
Sec. 6	<i>July 1, 2013</i>	New section
Sec. 7	<i>July 1, 2013</i>	New section
Sec. 8	<i>July 1, 2013</i>	New section
Sec. 9	<i>July 1, 2013</i>	New section
Sec. 10	<i>July 1, 2013</i>	1-79(l)
Sec. 11	<i>July 1, 2013</i>	1-120(1)
Sec. 12	<i>July 1, 2013</i>	1-124

Sec. 13	<i>July 1, 2013</i>	1-125
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**TRA**      *Joint Favorable Subst.*